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U.S. BANKRUPTCY COURT
MARYLAND CLERK

November 18, 2010

To The Honorable Bruce A. Markell,
United States Bankruptcy Judge,
The Debtors and their Counsel

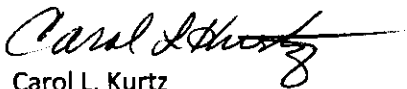
Re: American Pacific Financial Corporation, Case No.: BK-S-10-27855-MKN

I am sending a copy of our Agreement with Mr. Polhill of American Pacific Financial Corporation showing that our Contractual Loan Agreement/Promissory Note of October 18, 2006 stated it was secured by Pledge of Collateral defined as: accounts receivable Café Valley Inc. along with a copy of Exhibit to Schedule F – Creditors Holding UNSECURED NON PRIORITY CLAIMS Case Number 10-27855.

We were under the impression our Note was SECURED by income from Café Valley. We wish to dispute the placement of our names on this Schedule.



Donald W. Kurtz



Carol L. Kurtz

Cc: McDonald Carano Wilson LLP

Case Number 10-27855

EXHIBIT TO SCHEDULE F

Re American Family
Financial Corporation

Kathleen M. Knerr	104 Kingston Street	Grand Terrace	CA	92313	4/8/2000	promissory note	18,492.88
Knerr Trust %Maxine Knerr	104 Kingston	Grand Terrace	CA	92313	4/8/1991	promissory note	584,500.00
Kurt N. Knerr	Box 974	Menlo Park	CA	94025-0974	1/3/1999	promissory note	59,489.06
Kelli L. Koch	1 E. Cliffside Trail	Riverock	AZ	85335-0519	7/28/1992	promissory note	79,077.59
Rodney & Leah Koenig	Peachwood Place	Riverdale	CA	92606	4/12/2002	promissory note	8,192.00
Kazuyuki Komorida	35 Barton Road #200	Grand Terrace	CA	92313	3/21/1998	promissory note	330,347.10
Frieda June Kopp	9 Kennedy Place	St. George	UT	84790	8/23/1994	promissory note	243,183.01
Lana M. Kosh	31 Layman Court	Fontana	CA	92338-3541	3/24/1997	promissory note	279,148.12
Eleanor D. Kropf	W. Ramona Court	Rialto	CA	92376	2/27/2001	promissory note	14,323.15
Carolyn Kruggel	6 Chalkery Drive	Riverdale	CA	92504	9/21/2002	promissory note	45,366.86
Kumar Family Trst	Piedmont Drive	Riverdale	CA	92598	11/29/1995	promissory note	460,896.16
Catherine Larsen	Grant Avenue #152	Opden	UT	84401	12/31/1999	promissory note	9,511.79
Barry & Theresa Lasco	Barley Ridge Trail	Freeport	IL	61032	4/13/2005	promissory note	14,991.51
Marin & Barbara Lasco	E. Flower Street	Gilbert	AZ	85298	12/30/1991	promissory note	120,488.99
Gregory & Cynthia Lasco	1 N. Greenfield Drive	Freeport	IL	61032	5/27/2005	promissory note	149,141.80
Judy R. Lasco	2 Sylvan Court	Freeport	IL	61032	1/1/2006	promissory note	10,294.46
William & Beth Leach	Black Stallion Court	Zebulon	NC	27967	2/25/2002	promissory note	56,988.22
Judy E. Leahy	Alhambra Street	Norco	CA	92680	5/3/2001	promissory note	40,987.57
James & Sara Ledford	Island Road	Wesler	ID	83675	11/4/2005	promissory note	38,518.53
Bob and Elaine Leopold	W. 5th	Wesler	ID	83672	9/10/2004	promissory note	53,785.96
Harold & Glorie Lindsey Trust	6 Filbert Street	Fontana	CA	92335	12/12/2004	promissory note	113,793.93
Harvey & Sybil Ling	Dorsett Street	Riverdale	CA	92509	1/18/2001	promissory note	109,998.01
John & Phyllis Lofgren	27th Street	Anacortes	WA	98221	9/14/2006	promissory note	401,996.18
Carolyn Connor Lohel	Mission Twin Buttes Road	Green Valley	AZ	85814	4/12/1999	promissory note	194,186.84
A. Theodore Long Trust	E. 12th Street	Peoticonica	IL	61063	7/14/2003	promissory note	98,554.79
Robert & Trudy Long	Sunnyside Road	Stirling	IL	61801	1/1/1997	promissory note	475,137.18
Donald & Elsie Loo	W. 7th Street	Wesler	ID	83672	7/30/2002	promissory note	537,957.13
Shane Looco	N. Pleasant	Freeport	IL	61032	3/7/2003	promissory note	7,288.44
Vivian Low	Wood Avenue	Reading	MA	01867	1/23/1995	promissory note	71,751.23
Marie Lucier Estate %Denise Engh	Via Verbe	Alta Loma	CA	91701	9/5/1999	promissory note	426,719.04
Catherine Ludwig	Shadid Drive	Cotton	CA	92324	9/21/2002	promissory note	13,947.23
Debi MacVie	115	Redlands	CA	92379	8/15/2007	promissory note	19,166.89
William & Marilyn Manwerter	Marleston	Irvine	CA	92620	10/31/1999	promissory note	105,220.96
Alberta Lou Menzo	5 Clear Springs Drive	Le Mirado	CA	94958	9/22/2002	promissory note	61,245.28
Brad & Sherylle Martin	Adilyn Lane	Redlands	CA	92379	3/23/2007	promissory note	15,015.58
Steve & Deborah Martin	Blackhurst Drive	Raleigh	NC	27617	5/18/2004	promissory note	28,376.79
Joshua Ingensoll %Deborah Martin	Blackhurst Drive	Raleigh	NC	27617	7/6/2007	promissory note	11,181.80
Seth Ingensoll %Deborah Martin	Blackhurst Drive	Raleigh	NC	27617	7/6/2007	promissory note	11,181.80
Joan F. Martin Rev Trst	Iving Street	Riverdale	CA	92504	1/31/2006	promissory note	76,376.39
Luis Mas Judith Mas Trust	Ninth Street	Anaheim	CA	92802	11/9/2004	promissory note	98,109.09
Frederick & Darlene Matthews	3 Wilson Court	Sofora	CA	95379	10/21/2003	promissory note	107,329.49
Margarita A. McCarley	3 Naples Drive	Morning Valley	CA	92637	9/3/2001	promissory note	49,247.96
Lael R. McClellan Juggl	1200 West	Smithfield	UT	84335	5/21/2001	promissory note	10,938.61
David R. McClellan Estate	Box 70114	Point Richmond	CA	94807-0114	9/17/1990	promissory note	758,477.25

October 16, 2006*
San Bernardino, California

In consideration of \$ 100,000.00, received this date, AMERICAN PACIFIC FINANCIAL CORPORATION ("Obligor"), a California corporation, promises to pay to: Donald W. Kurtz and Carol Kurtz, husband and wife as joint tenants ("Beneficiary"), resident(s) of the state of Oregon, the principal sum of One hundred thousand and no/100 Dollars, for the contract period beginning October 16, 2006* with interest from October 16, 2006* at 9.0% per annum, interest (chose a or b), (a) shall accrue and be payable with principal upon maturity, or X(b) be payable in the amount of \$ \$750.00 on the 16th day of each (month/quarter) during the contract. Said payments shall be payable to Lender or Designee at the following address:

Donald & Carol Kurtz
402 NE Oakview Drive
Estacada, Oregon 97023
Phone: 503-630-5758

The initial expiration of this Agreement shall be on October 16, 2008* at which time the entire unpaid balance of principal plus all accrued interest shall either, at Beneficiary's option, be due and payable in full in legal tender of the United States of America, or extended according to the provisions of the following paragraph.

EXTENSION/RENEWAL PROVISION: Beneficiary or Designee shall be notified in writing of the pending expiration date and of the interest rate AMERICAN PACIFIC FINANCIAL CORPORATION will pay upon extension of this agreement. Beneficiary or Designee shall within ten (10) days of the expiration date of this agreement or any previous extension thereof, notify AMERICAN PACIFIC FINANCIAL CORPORATION in writing of Beneficiary's intention to receive payment in accordance with its provisions. It is agreed, that if AMERICAN PACIFIC FINANCIAL CORPORATION does not receive said notice, it shall then automatically extend this agreement for a period of time equal to the last term. Said extended term shall bear interest on all unpaid principal and interest as per the provisions, terms and conditions of said notice.

It is agreed that AMERICAN PACIFIC FINANCIAL CORPORATION reserves the privilege to make principal payments in any amount, at any time without penalty with a pro-rata reduction of monthly payments.

At all times during the course of this Agreement, the security will be maintained by one or more of the following:
TYPE OF SECURITY:

- (1) United States Currency
- (2) Funds held in trust in Banks, Thrift and Loan Associations or Savings and Loan Associations
- (3) Raw or product inventory
- (4) Accounts receivable
- (5) Equipment
- (6) Pledged notes and Deeds of Trust as defined in item #8
- (7) Pledged Real Property equity as defined in item #8

beneficiary has 30-day call on \$20,000 and may add principal at the same terms & rate

*interest to begin with receipt of funds

Whenever pledged collateral becomes in default, or whenever requested by AMERICAN PACIFIC FINANCIAL CORPORATION, Beneficiary agrees to release said pledged collateral to AMERICAN PACIFIC FINANCIAL CORPORATION and upon such release, Beneficiary shall select any one of these three options:

- (1) Receiving a principal reduction in this loan (in an amount equal to that pledged as security by the released collateral), or
- (2) Accepting substitute security, or
- (3) Directing that funds be held in trust, pending approval of replacement security by beneficiary.

AMERICAN PACIFIC FINANCIAL CORPORATION is hereby authorized and instructed to service all pledged collateral including the filing of all required notices and taking any prudent action necessary to preserve the equity of said collateral.

Unless otherwise agreed by the parties, all notes, Deeds of Trust and any pledged collateral, as referred to under item #8 above, is to be held in safekeeping by AMERICAN PACIFIC FINANCIAL CORPORATION and available for inspection to Beneficiary upon request.

The undersigned Beneficiary acknowledges receipt of this Promissory Note.

ACCEPTED AND APPROVED BY:

BENEFICIARY:

Donald W. Kurtz
Carol Kurtz

AMERICAN PACIFIC FINANCIAL CORPORATION

BY:

Larry R. Polhill, President

DO NOT DESTROY THIS NOTE
When paid, this note must be surrendered